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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Review of the procedures for the provision of statements of programme budget implications and for the use and operation of the contingency fund

Methodology for estimates for preventive diplomacy and peacemaking in future budget outlines and programme budgets

Report of the Secretary-General

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I. INTRODUCTION

1. The report of the Secretary-General on statements of programme budget implications and the use and operation of the contingency fund (A/46/170) was considered by the Committee for Programme and Coordination at its thirty-first session in 1991. In its conclusions and recommendations on these matters, the Committee:

(a) Agreed that, although the first two years of experience with the use and operation of the contingency fund had been satisfactory, it was premature to make a definitive judgement on the appropriate level of the fund and on its mode of operation;

(b) Recommended that the Secretariat should pursue its efforts to extend the provision of such statements, in the most appropriate manner, to subsidiary bodies in accordance with relevant provisions of General Assembly resolution 44/200 B of 21 December 1989;

(c) Stressed that the Secretariat's efforts should also include measures which would enhance general awareness of the budgetary process in these bodies and in all its units;

(d) Recommended that the mandate of the Fifth Committee in administrative and budgetary matters should be fully respected;

(e) Recommended that in all such statements the Secretariat should place greater emphasis on the programmatic implications of draft resolutions or decisions;

(f) Strongly recommended that viable alternatives should be submitted to Member States in all statements of programme budget implications or revised estimates.

In conclusion, the Committee recommended that the experience with the provision of statements of programme budget implications, as well as the use and operation of the contingency fund, should continue to be reviewed, and that the Secretary-General should submit a report on the two subjects to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions and CPC at its thirty-third session. 1/

2. Subsequently, at its forty-sixth session, in its resolution 46/189 of 20 December 1991, the General Assembly requested the Secretary-General:

(a) To take appropriate measures to enhance general awareness of the budgetary process in the Organization and, in that connection, to inform special conferences convened under United Nations auspices of the budgetary implications of their draft resolutions, recommendations and decisions;

(b) To improve the programmatic content of the statements of programme budget implications and to propose in such statements or in revised estimates alternative solutions for carrying out new activities, as required by its resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987;

(c) To submit to the General Assembly, at its forty-eighth session, through the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination, at its thirty-third session, a report on the review of the procedures for the provision of statements of programme budget implications and for the use and operation of the contingency fund, taking into account in particular the above-mentioned requests.

3. The General Assembly, at its forty-seventh session, in paragraph 9 of its resolution 47/213, recalled that "a review of the level and use and operation of the contingency fund, as well as the procedures for the provision of statements of programme budget implications, shall be undertaken by the General Assembly at its forty-eighth session".

4. Closely related to the issue of the use and operation of the contingency fund is the question of the treatment of programme budget implications and revised estimates relating to the maintenance of peace and security. It will be recalled that under the terms of the budget process approved by the General Assembly in its resolution 41/213, "the revised estimates arising from the impact of extraordinary expenses, including those relating to the maintenance of peace and security ... shall not be covered by the contingency fund".

5. The present report is submitted in response to the above requests.

II. USE AND OPERATION OF THE CONTINGENCY FUND IN 1990-1991 AND 1992

6. The creation of a contingency fund was decided on by the General Assembly in annex I of its resolution 41/213 on the review of the efficiency of the administrative and financial functioning of the United Nations. In annex I, paragraph 8, it is stated: "The programme budget shall include a contingency fund expressed as a percentage of the overall budget level, to accommodate additional expenditures relating to the biennium derived from legislative mandates not provided for in the proposed programme budget or, subject to the provisions of paragraph 11 below, from revised estimates". In paragraph 9 it is stipulated that "if additional expenditures, as defined in paragraph 8 above, are proposed that exceed resources available within the contingency fund, such additional expenditures can only be included in the budget through redeployment of resources from low-priority areas or modifications of existing activities. Otherwise, such additional activities will have to be deferred until a later biennium".

7. One year later, in the annex to its resolution 42/211, the General Assembly adopted criteria for the use of the contingency fund. In particular, in paragraph 3 it is stated that "each statement of programme budget implications and each proposal for revised estimates should contain a precise indication of how the alternatives mentioned in paragraph 9 of annex I to General Assembly resolution 41/213 would be applied in case it is not possible to finance all or part of the additional requirements from the fund".

8. The size of the contingency fund as a percentage of the overall level of resources has been approved by the General Assembly in the first two outlines at 0.75 per cent on the basis of recommendations of the Secretary-General. For the biennium 1990-1991, the level of the fund in United States dollars amounted to $15 million. Of this amount, approximately $3.2 million remained unused at the close of the biennium. For the biennium 1992-1993, the dollar amount of the contingency fund was set at $18 million; approximately $11.7 million remained unused at the end of 1992. The level of the fund was maintained at 0.75 per cent for the biennium 1994-1995.

9. The table below shows the amounts added to and appropriated from the contingency fund for the years 1989 to 1992.

Table 1. Use and operation of the contingency fund, 1989-1992

Biennium	Level of contingency fund (thousands of United States dollars)	Consolidated statement of programme budget implications and revised estimates	Amount appropriated from contingency fund (thousands of United States dollars)
1990-1991	15 000.0	A/C.5/44/50	1 879.5
		A/C.5/45/73	9 901.8
1992-1993	18 000.0	A/C.5/46/81	2 762.9
		A/C.5/47/85	3 529.4

10. Appropriations from the contingency fund approved by the General Assembly at its forty-sixth and forty-seventh sessions are shown below for the years 1991 and 1992 by budget section.

Table 2. Appropriations from the contingency fund, 1991 and 1992, by budget section

Budget section	General Assembly session	
	Forty-sixth (1991)	Forty-seventh (1992)
	(thousands of United States Dollars)	
Overall policy-making, direction and coordination	368.6	380.1
Disarmament	48.4	--
Development and international economic cooperation	1 176.3	1 029.4
United Nations Centre on Human Settlements	47.0	197.1
Social development and humanitarian affairs	--	385.4
International Drug Control	70.2	--
ECA	578.9	27.5
ESCAP	73.5	7.5
ECLAC	--	7.5
ESCWA	--	7.5
Human rights	--	1 053.2
Public Information	400.0	79.2
Conference Services	--	--
Department of Political Affairs	--	355.0
Total	2 762.9	3 529.4

11. The reduced recourse to the contingency fund at the forty-seventh session of the General Assembly, compared with the corresponding experience at the forty-fifth session, should be seen in the context of the rather special situation in place. As a result of the reorganization of the Secretariat and the related new treatment of vacancies, additional staff requirements that would normally have been requested in the context of revised estimates or statements of programme budget implications were covered to an unusual extent through temporary redeployment of posts. In addition, the Advisory Committee on Administrative and Budgetary Questions recommended deferral of action on significant financial requests to the resumed forty-seventh session of the General Assembly. At the resumed session, increased resources for several new activities were offset by reductions related to abolition of high-level posts, all in the framework of the revised estimates relating to the second phase of the restructuring of the Secretariat.

12. In addition, the apparent adequacy of the level of the contingency fund has been crucially dependent on the exception to the procedures of the contingency fund, made in paragraph 11 of annex I to General Assembly resolution 41/213, for "extraordinary expenses, including those relating to the maintenance of peace and security". Significant amounts have been added to the programme budget in recent years under this provision. Furthermore, as the range of United Nations activities has expanded, questions of interpretation have arisen about the treatment of certain new activities which appear "extraordinary", but not necessarily as "relating to the maintenance of peace and security" sensu stricto in the traditional sense. A case in point was the amount requested for the joint United Nations/Organization of American States mission in Haiti, whose mandate was related to human rights monitoring. In his report to the General Assembly (A/C.5/47/93), the Secretary-General expressed his view that the activity constituted an extraordinary expense, albeit not directly related to peace and security, and should be treated outside the procedures of the contingency fund. A definitive decision on such questions of interpretation could have a significant impact on the adequacy or otherwise of the level of the contingency fund.

13. Subject to any decisions that will be made on such questions, therefore, the level and operation of the contingency fund appear to be satisfactory and not in need of adjustment.

III. PROVISION OF STATEMENTS OF PROGRAMME BUDGET IMPLICATIONS IN 1991 AND 1992

A. Coverage

14. In the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, as adopted by the General Assembly in the annex to its resolution 37/234 of 21 December 1982, regulation 4.9 calls for the provision of statements of programme budget implications to all bodies of the United Nations. It states that:

> "No Council, Commission or other competent body shall take a decision involving either a change in the programme budget approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report from the Secretary-General on the programme budget implications of the proposal."

15. Corresponding rule 104.9 indicates that the Office of Programme Planning, Budget and Finance, in consultation with the department/office concerned should prepare and submit the report on programme budget implications. It also indicates the type of information to be included in such a report: (a) modification of the work programme should the proposed draft resolution or decision be adopted, listing additions, changes or deletions to programme, subprogrammes and outputs; (b) indication, where applicable, of similar or related work being carried out elsewhere in the Secretariat and if possible related activities undertaken by the specialized agencies of the United Nations system; and (c) in cases where it is proposed to finance the additional activities under consideration totally or partially through redeployment of

existing resources, the output, subprogramme and programme in the current work programme that would be changed, curtailed or terminated in consequence.

16. In accordance with regulation 4.9 and rule 104.9, the provision of statements of programme budget implications, in the format established for statements submitted to the General Assembly, was extended to the Economic and Social Council following the recommendation of the Committee for Programme and Coordination at its twenty-sixth session 2/ and its endorsement by the Council in its resolution 1986/51 of 22 July 1986. The procedure for provision of statements of programme budget implications to the Economic and Social Council for the years 1987 and 1988 was reviewed in the report of the Secretary-General (A/44/234), submitted to the General Assembly at its forty-fourth session in 1989 through the Advisory Committee on Administrative and Budgetary Questions, and the Committee for Programme and Coordination. The provision of these statements to the General Assembly and the Economic and Social Council for the years 1989 and 1990 was reviewed in the report of the Secretary-General on the topic submitted two years ago (A/46/170).

17. There were no significant changes during the years 1991 and 1992 regarding the extension of these statements to subsidiary bodies of the General Assembly and the Economic and Social Council. Basically, statements of programme budget implications continue to be provided to the General Assembly, the Economic and Social Council, and the committees, functional commissions and regional commissions that are subsidiary bodies of the Council. The pattern of this provision, however, varies with respect to some of these subsidiary bodies.

18. For the General Assembly, rule 153 of its rules of procedure states:

> "No resolution involving expenditure shall be recommended by a committee for approval by the General Assembly unless it is accompanied by an estimate of expenditures prepared by the Secretary-General. No resolution in respect of which expenditures are anticipated by the Secretary-General shall be voted by the General Assembly until the Administrative and Budgetary Committee (Fifth Committee) has had an opportunity of stating the effect of the proposal upon the budget estimates of the United Nations."

Therefore, in accordance with regulation 4.9 of the Regulations and Rules of Programme Planning, and in line with rule 153 of the rules of procedure of the General Assembly, any draft resolution before the Assembly and its main committees in which new activities are envisaged is accompanied by a written statement before it is considered for adoption. In some instances, where the draft resolution does not call for new activities or additional resources, an oral statement is made instead. Subsequently, the Fifth Committee of the General Assembly considers these statements.

19. In considering the experience of statements of programme budget implications and how this instrument can be improved, it is necessary to recall the practical limitations on what can be done in the often very restricted time available to prepare the statements and the necessity to engage in consultations, often with Secretariat units away from Headquarters. On balance, despite the severe time constraints involved in the preparation of the statements, and the limited number of Secretariat staff involved in their

preparation, as well as the workload of the substantive offices concerned during the General Assembly session, the system has worked reasonably satisfactorily for the Assembly.

20. Both rule 31 of the rules of procedure of the Economic and Social Council and rule 28 of the rules of procedure of the functional commissions of the Council call for such statements when draft resolutions with programme budget implications are being considered for adoption. Most draft resolutions of the Economic and Social Council originate in the functional commissions that receive written implications statements when they consider draft resolutions at their sessions. When time is a factor, programme budget implications statements are made orally and then formally included in the reports of the functional commissions to the Economic and Social Council.

21. With respect to the regional commissions, their rules of procedure do not call specifically for such statements. For the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic Commission for Africa (ECA) and the Economic and Social Commission for Western Asia (ESCWA), rules 23, 26, 29 and 24 respectively, call only for an estimate of the cost of the proposal, while the rules of procedure for the Economic Commission for Europe (ECE) do not explicitly require the provision of statements of financial implications. Of the five regional commissions, only ESCAP submits draft resolutions with possible programme budget implications to Office of Programme Planning, Budget and Finance for the preparation of the relevant statements.

22. In view of the far-reaching implications of decisions adopted by major conferences, the Secretariat has recently provided, in the case of the United Nations Conference on Environment and Development, one staff member from the Office of Programme Planning, Budget and Finance for the preparation of statements of programme budget implications at the Conference. Efforts were made to inform the Conference of the programme budget implications of their recommendations. Two oral statements were made with respect to draft decisions to be taken by the Conference.

Table 3. Number of statements of programme budget implications, 1989-1992

	Economic and Social Council		General Assembly	
Year	Number of resolutions and decisions	Number of statements	Number of resolutions and decisions	Number of statements
1989	212	29	300	18
1999	179	19	312	23
1991	214	30	346	34
1992	167	10	324	38

B. Treatment of alternatives

23. As indicated in table 2 above, the General Assembly, at its forty-sixth session, appropriated $2,762,900 from the contingency fund as a result of decisions on programme budget implications statements or revised estimates. At its forty-seventh session, the General Assembly appropriated $3,529,400 from the contingency fund on the basis of programme budget implications statements or revised estimates.

24. Many programme budget implications did not require the use of resources from the contingency fund, either because the activities in the draft resolution were already covered by the programme budget narrative or because the additional resources involved could be absorbed. In other cases, the implications statement proposed use of the contingency fund, but there was no subsequent appropriation. In a number of other cases, the activities envisaged in the draft resolution were regarded as falling under the provisions of General Assembly resolution 41/213, as quoted in paragraph 4 above. At the forty-sixth and forty-seventh sessions of the General Assembly, three and four statements of programme budget implications, respectively, were in this category.

Table 4. General Assembly: statements of programme budget implications

Session	Year	Number of statements of programme budget implications	Number of cases appropriations from contingency fund approved
Forty-fourth	1989	18	11
Forty-fifth	1990	23	16
Forty-sixth	1991	34	9
Forty-seventh	1992	38	14

25. At the forty-sixth and forty-seventh sessions, in those statements of programme budget implications and revised estimates that called for the use of the contingency fund, indications of the alternative sources of funding were as follows:

Forty-sixth session	$
(a) Revised estimates resulting from decisions of the Economic and Social Council at its first and second regular sessions, 1991 (A/C.5/46/34)	70 200
Postponement of low-priority information materials and services in the programme of international drug control was proposed as an alternative source of funding; this proposal was not accepted by the General Assembly.	
(b) Implementation of the Declaration on the Denuclearization of Africa (A/C.5/46/42)	48 400
Postponement of low-priority publications proposed. Not accepted by the General Assembly.	
(c) Human rights questions, including alternative approaches for improving the effective enjoyment of human rights and fundamental freedoms (A/C.5/46/58)	400 000
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(d) International cooperation to study, mitigate and minimize the consequences of the disaster at Chernobyl (A/C.5/46/60)	368 600
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(e) Second Transport and Communications Decade in Africa (A/C.5/46/70)	398 900
Postponement of a number of activities was proposed. Not accepted by the General Assembly.	
(f) Phase II of the Transport and Communications Decade for Asia and the Pacific (A/C.5/46/71)	73 500
Postponement of a low-priority publication proposed. Not accepted by the General Assembly.	
(g) Living conditions of the Palestinian people in the occupied Palestinian territory (A/C.5/46/73)	47 000
Low-priority publications were proposed for postponement. Not accepted by the General Assembly.	
(h) Protection of global climate for present and future generations of mankind (A/C.5/46/74)	1 176 300
No alternative proposed.	

	$
(i) United Nations Africa Institute for the Prevention of Crime and the Treatment of Offenders (A/C.5/46/77)	180 000
Three alternatives discussed and rejected (redeployment from within section 21, social development and humanitarian efforts; redeployment from other sections; voluntary contributions). Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
Total	2 762 900

Forty-seventh session

(a) Revised estimates resulting from resolutions and decisions of the Economic and Social Council at its substantive session, 1992 (A/C.5/47/21 and Add.1)	363 800
Five low-priority outputs were listed and it was proposed to postpone their implementation to the next biennium to partly offset the additional requirements. Not accepted by the General Assembly.	
(b) Comprehensive study of the question of honoraria payable to members of organs and subsidiary organs of the United Nations (A/C.5/47/45)	46 000
No alternative proposed.	
(c) General and complete disarmament: transparency in armaments (A/C.5/47/50)	79 500
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(d) Review and implementation of the Concluding Document of the Twelfth Special Session of the General Assembly: regional confidence-building measures (A/C.5/47/64)	203 200
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(e) Implementation of the Declaration on the Denuclearization of Africa (A/C.5/47/65)	72 300
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	

	$
(f) Human rights questions: implementation of human rights instruments (A/C.5/47/69)	44 800
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(g) Social development: the convening of a world summit for social development (A/C.5/47/70)	189 600
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(h) Revised estimates under section 28: human rights (A/C.5/47/71)	890 400
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(i) Strengthening of international cooperation and coordination of efforts to study, mitigate and minimize the consequences of the Chernobyl disaster (A/C.5/47/75)	247 700
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(j) United Nations Conference on Human Settlements (Habitat II) (A/C.5/47/80)	247 100
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(k) Report on the United Nations Conference on Environment and Development (A/C.5/47/81)	779 300
No alternative proposed.	
(l) Protection of global climate for present and future generations of mankind (A/C.5/47/83)	279 300
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
(m) Draft decision A/C.5/47/L.26 (Travel of representatives to the second part of the thirty-third session of the Committee for Programme and Coordination) (A/C.5/47/84)	86 400
Alternative proposed: postponement of implementation. Not accepted by the General Assembly.	
Total	3 529 400

C. Other issues

(a) Programmatic aspects

26. The standard subheadings for statements of programme budget implications are:

A. Requests contained in the draft resolution

B. Relationship of proposed request to the approved programme of work

C. Activities by which the proposed request would be implemented

D. Modification required in the approved (or proposed) programme of work

E. Requirements at full cost

F. Potential for absorption

G. Additional requirements

H. Contingency fund

I. Summary

27. Most statements of programme budget implications given to the General Assembly in the last two years addressed these issues and specified, in particular, the activities by which the proposed request would be implemented and the modifications required in the programme of work. Even though the practice was not uniform, there appears to be no need to modify the standard format.

(b) Enhancing awareness of the budgetary process

28. The legislative directives for the contingency fund have in effect underlined the role of statements of programme budget implications, particularly with regard to the funding of proposed new activities. Intergovernmental bodies have recently often expressed concern about the possible financial implications of their proposed decisions. Similarly, at the Secretariat level, cooperation among offices involved in the preparation of statements of programme budget implications has improved. Consultations between the substantive departments/offices and Office of Programme Planning, Budget and Finance are ongoing with respect to draft reports of the Secretary-General to the General Assembly and Economic and Social Council that may include recommendations with programmatic and financial implications. Intergovernmental bodies and Secretariat alike, however, are fully aware that obstacles related to attitudes, perception of priorities, limited resources and time available remain to be overcome in this domain.

IV. PROVISION FOR PREVENTIVE DIPLOMACY AND PEACEMAKING MISSIONS

29. In the proposed programme budget outline for 1994-1995 (A/47/358) provision was included for $28 million "for the budgeting upfront of future preventive diplomacy and peacemaking missions at a level commensurate with that experienced in 1990-1991 and 1992" (para. 6 (a)). In paragraph 7 of its report on the outline (A/47/7/Add.9), 3/ the Advisory Committee on Administrative and Budgetary Questions indicated that it:

> "... believes that by their very nature those activities are generally unpredictable. The experience gained in one biennium is not necessarily an indication of what will be encountered in the next. Furthermore, the Advisory Committee believes that the General Assembly, in its resolution 46/187 of 20 December 1991 on unforeseen and extraordinary expenses, adequately provides for any unexpected activity."

The Advisory Committee on Administrative and Budgetary Questions therefore recommended that the provision should not be included in the outline and requested a further analysis of the question.

30. Following the recommendations of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, and the adoption of General Assembly resolution 41/213 and subsequent resolutions on the efficiency of the administrative and financial functioning of the Organization, an effort has been made to include provision in the Secretary-General's proposed programme budgets for all reasonably predictable requirements so as to reduce to a minimum the need to add on provisions later through revised estimates or statements of programme budget implications. As part of this new budgetary process, provision has been made for requirements of a "perennial" nature which had previously been added after the submission of the proposed programme budget. These "perennial" provisions have been included, based on past experience, for such items as political activities subject to regular periodic re-authorization and conference-servicing requirements for meetings added to the initial calendar of conferences by intergovernmental action. This approach is clearly in line with the concept of the contingency fund which attempts to define in advance the total level of such budgetary add-ons.

31. The provisions for preventive diplomacy and peacemaking recommended in the budget outline for 1994-1995 were consistent with this approach. They were included to give greater transparency in the initial budget, and to reflect the fact that in recent years there have been significant provisions added to the budget for such activities. This proposed contingency provision was only to be used with the specific authorization of the General Assembly or the Advisory Committee on Administrative and Budgetary Questions for preventive diplomacy or peacemaking activities that would otherwise have been financed through the provisions of the General Assembly resolution on unforeseen and extraordinary expenses or as appropriations outside the procedures of the contingency fund. However, this contingency provision could not be considered a ceiling for such expenditures. If requirements in excess of the appropriation arose, it would still be necessary to have recourse to the procedures on unforeseen and

extraordinary expenses or to request additional appropriations under the regular budget.

32. As the Advisory Committee noted, activities concerning preventive diplomacy and peacemaking are, by their very nature, unpredictable. In addition, General Assembly resolution 46/187, on unforeseen and extraordinary expenses, and the provisions of paragraph 11 of annex I to General Assembly resolution 41/213, together provide a mechanism for financing preventive diplomacy and peacemaking activities arising during the biennium. The purpose of the Secretary-General's proposal in this respect in the outline of the proposed programme budget for the biennium 1994-1995 was to enhance the transparency of the budgetary process and reduce the size of add-ons to the original budget proposals. Against these benefits, however, it could be argued that there is clearly no way to estimate such requirements accurately in advance and that, in any case, additional requirements over and above the contingency provision would still be possible. In addition, Member States would be assessed for requirements that might not arise. It is clearly for Member States to decide which course is preferable.

V. CONCLUSIONS AND RECOMMENDATIONS

33. Contingency fund. Subject to practical questions related to the interpretation of the applicability of the procedures relating to the contingency fund, its level and general operation appear to be satisfactory. No changes in current procedures are needed.

34. Statements of programme budget implications:

(a) Coverage. There has been an extension of coverage to include new intergovernmental bodies, such as the Commission on Sustainable Development, and major Conferences held at locations other than the main duty stations, such as the United Nations Conference on Environment and Development. This progressive extension should continue. The Commission on Human Rights should be provided with programme budget implication statements in the 1994-1995 biennium. All major conferences should also be provided with programme budget implications, regardless of geographic location. Such an extension of coverage, however, would entail resources over and above those currently budgeted for financial services.

(b) Treatment of alternatives. A number of alternative sources of funding involving the postponement of already mandated activities were presented in programme budget implications to the General Assembly at its forty-sixth session. The Assembly did not find it possible to agree to these proposals. At the forty-seventh session, the main form of alternative proposed was delayed implementation of the activities envisaged in the draft resolution. None of these proposals was accepted. Nevertheless, postponement appears to be, for most situations, the only practical alternative to immediate implementation for those new activities that the Assembly is considering in draft resolutions.

(c) Programmatic content of programme budget implications. At the forty-sixth and forty-seventh sessions, most statements of programme budget implications concerning budget sections with standard programme narratives in the approved budget contained, inter alia:

(a) Descriptions of the activities by which the draft resolution would be implemented;

(b) Adjustments needed to the programme narrative of the approved budget.

For those sections of the budget that did not contain programme narratives in standard form, descriptions of the activities by which the draft resolution would be implemented were given but no adjustment to the approved text was possible. The presentation in statements of programme budget implications will necessarily continue to reflect differences in the presentation of programme narratives in the proposed budget.

(d) Enhancing awareness of the budgetary process. The process of drafting and reviewing statements of programme budget implications has sensitized both the Secretariat and Member States to the programmatic and financial aspects of proposed new functions.

35. Preventive diplomacy and peacemaking. A contingency provision for activities on preventive diplomacy and peacemaking included in the programme budget would make the budget more comprehensive and transparent, but would not preclude the possibility of additional requirements arising during the biennium.

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 16 (A/46/16), paras. 402-412.

2/ Ibid., Forty-first Session, Supplement No. 38 (A/41/38) and Corr.1 and 2, para. 155.

3/ Ibid., Forty-seventh Session, Supplement No. 16 (A/47/7 and Add.1-16).

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QUESTION OF EAST TIMOR

Letter dated 28 July 1993 from the Chargé d'affaires a.i. of the Permanent Mission of Portugal to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a copy of a letter on the Pacific Regional Seminar to Review the Political, Economic and Social Conditions in the Small Island Non-Self-Governing Territories which I have addressed to the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (see annex I). I also take this opportunity to transmit the statement made by the head of the delegation of Portugal to that Seminar, which was held at Port Moresby from 8 to 10 June 1993 (see annex II).

I should be grateful if you would have the text of the present letter and its annexes circulated as an official document of the General Assembly under item 121 of the provisional agenda.

(Signed) José Caetano da COSTA PEREIRA
Chargé d'affaires a.i.

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* A/48/150.

ANNEX I

Letter dated 28 July 1993 from the Chargé d'affaires a.i. of the Permanent Mission of Portugal to the United Nations addressed to the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Further to the statements made by the representative of Portugal before the Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, I would like to draw your attention to the report of the Pacific Regional Seminar to Review the Political, Economic and Social Conditions in the Small Island Non-Self-Governing Territories, held at Port Moresby, Papua New Guinea from 8 to 10 June 1993, that was issued as an official document of the United Nations, A/AC.109/1159.

Portugal would like to express its perplexity over the fact that the above-mentioned report does not contain any reference to the discussions on East Timor that took place at that seminar, especially since the seminar itself was dedicated to the problems of decolonization in the Asia/Pacific region, that is to say in the geographical area where East Timor is found.

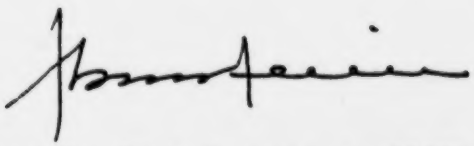
In fact, the question of East Timor was indeed addressed at that seminar by a number of participants including the Ambassador of Portugal to Canberra, who took part in the seminar in his capacity of representative of the administering power of that non-self-governing territory which had been invited, in that capacity, to participate in the meeting. The statements of other representatives of non-self-governing territories were, on the other hand, summarized in the document referred to above.

My country must protest at such an inexplicable omission and we reiterate our strong objection to such an unjustifiable and discriminatory treatment of a territory that is included in the list of non-self-governing territories which are the concern of the Committee, since its decolonization is not completed.

I would also like to point out that Mr. José Gusmão took part in the Seminar as a representative of the National Council of Maubere Resistance, which is an East-Timorese organization and not from Portugal as stated in the list of participants contained in Annex III of document A/AC.109/1159.

Finally, I would like to emphasize that Portugal has, over the past few years, continued to offer its fullest cooperation to the Special Committee. In doing so we are responding positively to your appeals, as Chairman of the Committee, to the administering powers to cooperate with the United Nations. It is, therefore, difficult for us to understand the situation described above.

I am addressing a letter to the Secretary-General today requesting that the text of our statement made at the Port Moresby Seminar and of this letter be circulated as an official document of the United Nations.



(Signed) José Caetano da COSTA PEREIRA
Chargé d'affaires a.i.

ANNEX II

Statement made by the Head of the Delegation of Portugal to the Pacific Regional Seminar to Review the Political, Economic and Social Conditions in the Small Island Non-Self-Governing Territories, held at Port Moresby from 8 to 10 June 1993

The Portuguese delegation wishes, first of all, to greet you Mr. Chairman and the members of this seminar. I would like to stress once again our appreciation for the work the Special Committee has done during the last decades in the sensitive area of upholding the rights of colonial peoples. Portugal was present and took an active part in the Regional Seminar on Decolonization held in Vanuatu in May 1990. On that date we all celebrated the 30th anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

That year saw the birth of the present International Decade for the Eradication of Colonialism, with a view to, until the end of this century, fully applying the Declaration to all non-self-governing territories.

My delegation would also like to express its gratitude to the host country, to the Government and people of Papua New Guinea. Their kind hospitality will no doubt contribute to the success of our work.

Portugal was invited to attend this seminar in its capacity as the administering power of the non-self-governing territory of East Timor as recognized by the United Nations and the international community. We deeply regret the impossibility of finalizing, till now, the decolonization of the territory in accordance with the principles of the Charter, of the declaration and other relevant United Nations resolutions.

To go straight to the point, I will start by reminding the seminar of the very basic principles which are at stake in the decolonization process of East Timor, yet to be completed. They are as follows:

1) the illegitimacy of military conquest as an acceptable claim for territorial enlargement;

2) the respect for the basic and inalienable right of the East-Timorese to self-determination;

3) upholding of basic human rights and fundamental freedoms.

As members of the seminar are no doubt aware, international fora and public opinion are sufficiently informed as to the fact that none of the above principles have been observed in the case of

East Timor.

The invasion of East Timor in 1975 violated the basic principles of international law and, accordingly, the unilateral annexation of the territory was never recognized by the international community.

It is an indisputable fact that territorial enlargement obtained by force cannot, in our days, be accepted by the international community. A non-self-governing territory cannot be considered as a terra nullius prone to be conquered by a powerful and ruthless neighbour, irrespectively of the motives or justifications that might be alleged.

The United Nations Security Council and General Assembly adopted several resolutions reaffirming the right of the people of East Timor to self-determination and demanding the withdrawal of the foreign occupying forces. These resolutions, however, have never been complied with.

Efforts were made throughout the years to make the United Nations and the international community turn a blind eye on the illegal situation created in East Timor and to convince them that "this issue was no longer a problem". However, the United Nations and the international community, in general, have never recognized the completion of the decolonization process in East Timor. The latter remains listed as a non-self-governing territory under the administration of Portugal.

You would certainly agree with me that we have come to a rather peculiar situation in which the administering power, striving to achieve the decolonization of a territory for which it is held responsible, has been asking for the support of the international community to carry it through. And this against the stubborn and illegitimate opposition of an occupant which happens to be a former colonial territory (that had to fight honorably in the past for its own freedom) and who is the present holder of the non-aligned movement's chairmanship.

Since the problem of decolonization of East Timor is still unresolved - and that is why the Special Committee is dealing with it and that I am here on behalf of the administering power legitimately responsible for the territory - I will address now an essential requisite for its completion, the second principle I referred to above: the principle of self-determination.

The right to self-determination is an inalienable right of the colonized countries and peoples and has specifically been recognized to the people of East Timor through General Assembly and Security Council resolutions. The process of decolonization cannot be concluded without its exercise, validated by recognition by the United Nations, and this has not as yet happened.

As the administering power, the main objective of Portugal's

policy towards East Timor is the completion of the process of decolonization. This should be done with full respect for the United Nations Charter, General Assembly and Security Council resolutions (accepted in total by Portugal), and for the legitimate rights of the East Timorese people, including the right to freely chose their political destiny.

We are not acting in this instance with the expectation of material benefits - this would be absurd if not ridiculous - or with tardy and unjustified neo-colonialist motives. We will recognize any choice made by the people of East Timor regarding their political future as long as it is freely and validly made. More than seventeen years of struggle against a status quo imposed by force, taking several different forms and against all odds, is the best evidence that it is imperative for the people of East Timor to exercise their right to self-determination in order to end the violence and repression in the territory.

This takes me now to the third principle I mentioned: the defense of human rights and fundamental freedoms in East Timor.

I am not going to repeat here what is already known by everybody: the history of the forceful occupation of the non-self-governing territory of East Timor has been marred by an implacable repression, directly or indirectly causing many thousands of deaths.

The numbers mentioned are between one hundred and two hundred thousand. This represents a human sacrifice in a proportional scale probably without parallel in the second half of this century.

The massacre of Timorese civilians, on the morning of the 12th November 1991, in Dili, interrupted the stubborn silence that had been kept on the situation. In spite of the declaration reached by consensus on 4/3/92 by the United Nations Commission on Human Rights, we are far from knowing the full circumstances of that intolerable brutality, as well as those responsible for it.

Some symbolic punishment was applied to them, while the civilians accused of organizing or participating in the demonstration (without being accused of acts of violence) were given very heavy sentences, including one for life. Faced with the non-compliance with the most essential aspects of the consensus declaration, the Commission adopted with strong support a resolution on East Timor, last 11th of March. The fact that the Human Rights Commission had not approved a resolution on this matter for ten years lends to this last one a special meaning, reflecting the worsening situation in the territory and the growing awareness by the international community of the seriousness of this question as a whole.

The trial and sentence of life imprisonment given to the East Timorese leader Xanana Gusmão was the most recent and obvious case of the disrespect shown by the illegally occupying power of East

Timor towards either the United Nations resolutions or the universally accepted international standards of fairness. The occupation of East Timor is illegal, according to the United Nations resolutions, and the trial is, therefore, not legitimate. Can the struggle for self-determination of a non-self-governing territory be considered "rebellion" or "separatism"? Are we really living during the last years of the 20th century?

After a purely political process and trial conducted in well known circumstances (even the occupant's own code of penal procedure was not respected, having been denied to the accused the right to present his own defense), Xanana Gusmão was given a inhumane life sentence. In his speech to the court he denounces the true farcical nature of his trial and reaffirms his ever present convictions. He has been kept incommunicado since the sentencing and has not been visited by family or the International Red Cross. This organization has actually publicly announced that it had been forced to suspend its visits to the East Timorese political prisoners, because the minimum conditions required for this kind of action had not been respected.

Bishop Belo, apostolic administrator in Dili, declared last 24th April to the New York Times that "people are living in fear in East Timor" despite the Indonesian Government's insistence that the human rights situation had improved. Torture of political prisoners is routine and several people captured at the time of the November 1991 massacre were killed. Scores of people are still missing since that occasion. New waves of arrests took place when Xanana Gusmão, in November 1992, and Ma'Huno, another East Timorese leader, in April 1993, were captured.

The lesson we can learn from these more than seventeen years of illegal occupation of East Timor, is that without a political solution which will address the substance of the question, the violence and the abuses of human rights will not cease.

Someone has already called the situation in East Timor a legacy of the cold war. As many other legacies of this kind, the "status quo" has not settled but it has rotted away. Military conquest is no longer an acceptable way of acquiring possession of a territory, and, as recent examples have shown, lasting solutions can not be built over the denial to peoples of their freedom.

Methods of colonial repression like the massacre of 12th November and the sentencing to life imprisonment of Xanana Gusmão show the true nature of the authority being used in East Timor and must be strongly condemned by the international community.

Portugal proposed, two months after the 12 November massacre, to initiate, without pre-conditions and under the auspices of the

Secretary-General, a dialogue with Indonesia and with all the parties directly concerned. This with the aim of reaching a just comprehensive and internationally acceptable settlement of the question of East Timor. Representatives of the people of East Timor, from different quarters of opinion, will have to be associated to the dialogue. Whatever the solution may be, their rights will have to be respected, in conformity with the principles of the United Nations Charter and international law.

Portugal is firmly engaged in collaborating in full with the good offices of the Secretary-General, and has taken part in the meetings already held, at diplomatic and political level, by which the proposed dialogue was initiated. I will simply add that these first efforts have not yet, unfortunately, produced substantial results.

We have already agreed that, taking into account the vast differences of opinion on the substance of the question, we should consider the adoption of "confidence-building measures", in order to improve the climate of dialogue. The trial and resulting sentence on Xanana Gusmão and the continuation or unacceptable violations of human rights in East Timor are not conducive to the improvement of that climate of dialogue.

The East Timorese question is not, though, a bilateral problem. It is not a dispute of conflicting claims over the same territory. It is a problem that deeply involves the international community. It contends with basic principles that preside over international relations, affecting fundamental rights both of the peoples and of individuals. It is a challenge to the United Nations Charter, to the General Assembly and the Security Council.

Just a few years ago, two small countries of the Pacific area become members of the Security Council. Countries, irrespective of their geographical, demographic or economic dimension are entitled to the same rights and to participation in the international community.

My delegation is certain that the situation in East Timor is followed in the Asia-Pacific region with an increasing particular concern. The Timorese plight deserves the attention and good offices of each and everyone of us.